Report of:	Meeting	Date
Councillor Lesley McKay, Resources Portfolio Holder and Clare James, Corporate Director Resources (and S.151 Officer)	Cabinet	18 October 2023

Medium Term Financial Plan 2023/24 to 2027/28

Key decision: Yes

1. Purpose of report

1.1 To consider the council's Medium Term Financial Plan for the financial years 2023/24 to 2027/28.

2. Corporate priorities

2.1 The ability to demonstrate good financial management by ensuring that the council's Medium Term Financial Plan, budgets and capital programme are soundly based and designed to deliver its strategic priorities.

3. Recommendations

3.1 Members are requested to:

a Consider the attached Medium Term Financial Plan and the consequential action required in order to address the issues resulting from the five year Financial Forecast (current year plus four years);

b Note the revised expenditure projections incorporating the slippage from 2022/23, and the resulting impact on the level of the council's Reserves and Balances at 31 March 2023; and,

c Agree the top-up and use of all Reserves and Balances as indicated in Appendix 3 to the Medium Term Financial Plan.

4. Background

4.1 The council's comprehensive, Medium Term Financial Plan, essentially a five year financial forecast, complements the Annual Revenue Budget process and should be considered in conjunction with the Council's

Business Plan, its capital investment plans and the Asset Management Plan. It provides detailed proposals for corporately managing the council's resources in the years ahead.

4.2 The council's financial plans support the delivery of strategic plans for assets either through investment, disposals, rationalisation or more efficient asset use. Financial plans show how the financial gap between the need to invest in assets and the budget available will be filled over the long term (for example through prudential borrowing, rationalisation of assets, capital receipts, etc.).

5. Key issues and proposals

5.1 The last Plan was based on the Revenue Budget for 2022/23 and it was recognised that it would be subject to continuous monitoring to ensure its effectiveness. Since the Plan was last considered there have been regular monitoring reports to Members on both the Revenue and Capital Budgets and the 2023/24 Budgets for both of these have been approved. The Outturn figures for 2022/23 (pre audit), were presented to the Audit Committee on 26 September 2023. Attached, at Appendix A, is a copy of the updated Plan, which includes the latest five year financial forecast.

5.2 Based on the detailed appendices to this report, over the forthcoming MTFP period, savings would be required of:

- £2,278,000 for 2024/25
- £2,744,000 for 2025/26
- £3,026,000 for 2026/27
- £3,986,000 for 2027/28

These are expressed on an assumption that any savings in each year are one-off and non-recurring. Therefore, as an example, should recurring savings be found in 2024/25 of £500,000 then the required savings to be found in each subsequent year would be reduced initially by that same £500,000 (being recurring in nature).

6. Alternative options considered and rejected

6.1 Considered in detail in the appendices attached.

Financial, Legal and Climate Change implications	
Finance	Considered in detail in the appendices attached.
Legal	None arising directly from the report.
Climate Change	The report includes the assumption that HVO Fuel will be utilised by the majority of the Fleet on an ongoing basis

	and the additional costs have been reflected in the revised MTFP.

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	**✓ / x**
community safety	x
equality and diversity	x
health and safety	x

risks/implications	**✓ / x**
asset management	✓
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Clare James	01253 887308	clare.james@wyre.gov.uk	22.09.2023

List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

Appendix A – Medium Term Financial Plan 2023/24 to 2027/28

Appendix A

Medium Term Financial Plan 2023/24 to 2027/28

Wyre Council
Civic Centre
Breck Road
Poulton-le-Fylde

October 2023

The Medium Term Financial Plan for Wyre Council

1. Strategic Objectives

1.1 The Council's Business Plan sets out its vision, objectives and actions for a five year period, highlighting the issues upon which we have decided to focus in order to ensure that our vision is realised. Our vision is 'Wyre – proud, ambitious and thriving… Together we make a difference."

Growth and Prosperity

Our ambition – A strong local economy. We will:
Work with the Fylde Coast Economic Prosperity Board to support economic growth and attract greener investment to Wyre
Collaborate with our partners to facilitate cleaner, greener, vibrant town centres
Support businesses to grow, prosper and recover
Maximise commercial opportunities and promote our tourism assets
Deliver efficiencies

People and Communities

Our ambition – Empowered healthier and resilient communities We will:
Collaborate with residents and local stakeholders to support and maximise opportunities for improving health and wellbeing across our communities
Work with our partners to focus on supporting people to become more active and increase their physical activity
Explore opportunities for communities and partners to build resilience supporting our most vulnerable residents and our ageing population
Work with partners to reduce violence and anti-social behaviour

Environment and Climate

Our ambition – A cleaner, greener and more sustainable environment We will:
Work towards reducing the council's and wider borough's emissions by at least 78% by 2035
Collaborate with our partners to respond to a range of climate change issues, including our commitment to carbon footprint reduction and tackling flood risk across Wyre
Work with residents, Parish and Town Councils and businesses to plan, protect and enhance the quality of our neighbourhoods and environment and promote responsible use of Wyre's great outdoors

2. Background

2.1 The council's comprehensive, Medium Term Financial Plan is a five year financial forecast which complements the Annual Revenue Budget process and should be considered in conjunction with the Council's Business Plan, its capital investment plans and the Asset Management Plan (2018-2023). It provides detailed proposals for corporately managing the council's resources in the years ahead.

2.2 Without a resilient Business Plan, priorities can be championed that have little or no reference in relation to the needs of local communities, which can lead to a lack of value for money, direction and public satisfaction.

2.3 The council continues to face many significant challenges ahead and will have to manage a wide and diverse range of services with decreasing resources and heightened customer expectations.

2.4 The council recognises and welcomes the resources that are made available through contributions from other public and private partner organisations, as well as the voluntary sector. These form a key part of the council's application of resources, duly reflected in its key documents, which are shared with those bodies to achieve the most effective mix of contributions to achieve shared aims and objectives.

3. Links to Corporate Priorities

3.1 Obviously, the council cannot do everything it would like to do, or indeed, everything its customers and partners would like it to do. The council, in the same way as other organisations, is restricted by the amount of money (revenue and capital) it has to spend. As such, it has to set priorities. These priorities, which are reflected in the Business Plan, are based on clear evidence of community needs and aspirations determined through prior research and local consultation. The 2023 Business Plan update was also influenced by the views of Overview and Scrutiny Committee who were consulted as part of the drafting process.

3.2 In order to respond effectively to the diverse needs of the community the council needs to be using resources effectively, delivering the best outcomes for local people and actively seeking new ways to improve the wellbeing of the community.

3.3 This process will be achieved through the following mechanisms:

Engagement with Residents using existing mechanisms and groups – The council is keen to ensure that the aspirations and needs of local people are met and continues to use the Together We Make a Difference Network to ensure better and more effective methods of achieving two-way communication.

The Council's Business Plan - outlines our vision, objectives and actions for the period 2019 to 2023 and demonstrates our commitment to make a positive difference to the lives of people living in Wyre.

Medium Term Financial Plan (MTFP) – reflects the budgetary requirements of the Business Plan and is communicated to staff and stakeholders.

Annual Service Plans – contain detailed action plans for the forthcoming year for each service including performance targets.

Team and Individual Objectives – ensures that each member of staff knows how their job helps to deliver a better Wyre. A staff appraisal system helps to assess everyone's contribution.

Performance Management Framework – a tool that underpins all of the above and allows everyone to track performance.

3.4 New schemes requiring funding are referred to Corporate Management Team (CMT) for detailed consideration against corporate priorities. (The Detailed Business Case template for Revenue and Capital projects can be seen at Appendix 1.) Once scrutinised by CMT, where necessary, successful business cases are then submitted to the relevant Portfolio Holder for approval. Further scrutiny takes place when Cabinet consider the Capital Programme as part of the council's Estimates Process. In addition, every year, Overview and Scrutiny review the schedule showing planned investment in our assets and this last took place on 24 April 2023. This ensures that, often difficult, decisions are taken in consideration of the council's duty to promote the wellbeing of the community, as well as service specific needs.

3.5 Before detailed business cases are submitted for consideration however, there must be:

- A clear rationale for the project and identification of the corporate priority to which the request relates;
- Identification of stakeholders;
- An options appraisal which also considers the impact on the organisation, staffing, technology etc.;
- Consideration of the benefits, both tangible and intangible that the project could achieve and how these will be measured;
- Consideration of the financial impact of the expenditure e.g. one off and recurring financial consequences
- Awareness of the risks attached to the project and how these could be mitigated and/or managed.

3.6 Ordinarily, capital receipts can only be used to fund capital expenditure or be set aside to repay debt. However, as part of the multi-year 2016/17 local government finance settlement, greater flexibility to allow council's to use these receipts to generate ongoing revenue efficiencies was announced although published guidance must be followed. This flexibility has been extended several times and now includes every financial year to at least 2024/25.

3.7 This guidance advises that: "The Secretary of State believes that individual authorities and groups of authorities are best placed to decide which projects will be most effective for their areas. The key criteria to use when deciding whether expenditure can be funded by the capital receipts flexibility is that it is forecast to generate ongoing savings to an authorities', or several authorities, and/or to another public sector body's net service expenditure."

3.8 The Guidance also recommends that the Strategy setting out details of projects to be funded through flexible use of capital receipts be prepared prior to the start of each financial year and/or should be presented to full Council or the equivalent at the earliest possible opportunity.

3.9 At the present time, there is no intention to make use of this flexibility owing to the significant schedule of works required to maintain and invest in our assets and as such no Strategy has been approved by Council.

3.10 The council is keen to strengthen the link between investment and return by encouraging the development and reporting of indicators that can demonstrate how individual schemes have contributed to the achievement of its priorities, i.e. what the community can expect the investment to achieve in terms of outputs and outcomes.

4. Budget Management and Monitoring

4.1 In order to ensure that the council is able to demonstrate an effective approach to managing its financial performance, monitoring reports, highlighting any significant deviations from the plan, are submitted to the Executive on a regular basis in respect of both revenue and capital expenditure. This information is informed by regular budgetary reviews undertaken by Spending Officers and the Financial Services Team. Any changes to the phasing of capital schemes and any significant variations to scheme costs are formally reported to Cabinet throughout the year. This process balances the need for a consistent and corporate approach to programme management generally with the responsiveness and flexibility required to manage, often complex, schemes.

4.2 The release of funds from the Capital Budget, following a scheme's inclusion in the Capital Programme, is subject to a comprehensive report to the appropriate Portfolio Holder, by the relevant Corporate Director who is responsible for managing the scheme from development through to implementation and review. (This requirement may be relaxed for those schemes where the delay between the date of inclusion in the capital programme and the project start date is less than 9 months and the exact nature of the capital investment requires no further Member approval). The Members' role in performance management and monitoring is supported by the Council's Financial Regulations and Financial Procedure Rules which state the key controls surrounding the capital programme as follows:

a) a scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for approval by the executive
b) specific approval by the full Council for the programme of capital expenditure
c) expenditure on capital schemes is subject to the approval of the relevant Portfolio Holder prior to scheme commencement
d) proposals for improvements and alterations to buildings must be approved by the Corporate Property Officer
e) schedules for individual schemes within the overall budget approved by the full council must be submitted to the relevant Portfolio Holder for approval (for example, Refurbishment of Playgrounds)
f) the development and implementation of asset management plans
g) accountability for each proposal is accepted by a named manager
h) monitoring of progress in conjunction with expenditure and comparison with approved budget.

4.3 Capital costs must be within approved budgets, the tender process being conducted in accordance with Financial Regulations and Financial Procedure Rules which set out the circumstances for reporting overspends to the Executive.

4.4 The Prudential Code for Capital Finance aims to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. The Code sets out indicators that can be used and requires local authorities to set relevant limits and ratios. These include a three year forward looking estimate of financing costs to the net revenue stream ratio as well as a backward looking prior year actual financing costs to the net revenue stream ratio. Responsibility for setting and agreeing the prudential indicators rests with the full Council further reinforcing the Members' role in the management of the Capital Programme.

4.5 In December 2021, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and Cross Sectoral Guidance Notes and a Revised Prudential Code. These two statutory and professional codes are important regulatory elements of the capital finance framework within which local authorities operate and the council is required by regulation to 'have regard to' their provisions.

4.6 A particular focus of the revised Prudential Code was to remind local authorities of the limits on commercial activities and the importance of proportionality, not borrowing for debt-to-yield purposes and that capital strategies are required to report investments under the following headings: service, treasury management and commercial investments. All of these changes have limited impact on the council.

4.7 The main changes to the updated Treasury Management Code and the accompanying guidance for local authorities related to the treatment of non-treasury investments. They included the introduction of the Liability Benchmark as a treasury management indicator for local government bodies; that Environmental, Social and Governance risks are incorporated into Treasury Management Practice 1 (Risk Management); and the purpose and objective of each category of investments should be described within the Treasury Management Strategy. For these and any changes in the Prudential Code, full implementation was required from April 2023.

5. Basis of Budgetary Forecast

5.1 The projections incorporate the final position in respect of the 2022/23 financial year with the Statement of Accounts (subject to audit) approved by Audit Committee on 26 September 2023. The Accounts and Audit (Amendment) Regulations 2021 require the council's responsible financial officer to certify that the accounts 'present a true and fair view of the financial position' for the 2022/23 financial year by 31 May 2023 which was achieved. The council is then formally required to approve and publish the audited Statement of Accounts no later than 30 September 2023. However our external Auditors have indicated that they will not meet this deadline and we are expecting sign-off by 31 March 2024. It is the role of the Audit Committee, independent from the Executive and Overview and Scrutiny functions, to 'review the annual Statement of Accounts considering whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council'. At the time of writing, the audited accounts and the report from the External Auditor, referred to as the ISA260 Report are still outstanding for the 2020/21, 2021/22 and 2022/23 accounts owing to delays caused by a lack of resources at Deloitte and a national issue relating to the valuation of infrastructure assets, although it is hoped that these will be signed off in 2023/24.

5.2 The Local Government Association (LGA) has yet to confirm the Pay Award for the National Joint Council for Local Government Services for 2023/24 (£1,925 on each spinal point in 2022/23), apart from Chief Officers who received 3.5%. For 2023/24 an estimated £2,000 pay award on every spinal point has been included in the forecast. This reflects the current Employer's offer of £1,925 which they have stated is full and final, with a modest headroom for negotiation. A % has been applied thereafter in 2024/25 (5.5%) with 4.5% applied thereafter.

5.3 Provision for inflation has been included where it is considered to be a contractual obligation and tailored assumptions have been made where known inflationary pressures exist. In preparing a prudent budget, the council should also reflect the current economic climate and its potential impact; this has been considered as part of the Risk Assessment at Appendix 5. Currently we are still experiencing levels of high inflation with energy and fuel costs being impacted in particular. Some certainty over the longer term has been achieved through fixed price contracts. However consumption is variable and we are improving our meters and analytics to obtain better quality data to be able to support site managers and users to reduce wastage going forward.

5.4 Although the income projected from fees and charges should follow the principles of the Audit Commission publication "The Price is Right", the objective being to maximise support to the Revenue Budget, it has been assumed that additional income generated during 2023/24 will be offset by similar increases in other costs. However, where a specific policy decision has already been taken in relation to future levels of charging, this has been reflected in the plan. The council's Charging Policy is attached at Appendix 2.

5.5 The financial projections reflect all known implications arising from published strategies and plans across the council and joint plans agreed with partners and other stakeholders which include the following:

- Business Plan 2019-2023;
- Waste Management Strategy 2008-2020 (refresh still pending);
- Digital Transformation Strategy 2022–2025;
- Disabled Facilities Grants Policy; and
- Local Plan

5.6 As part of the annual budget cycle, and in determining the MTFP, the council continues to identify actions that will improve efficiency, quantifying the expected gains that assist the council in effectively prioritising its finite resources. These efficiency targets, detailed within the council's 'Annual Efficiency Programme' which is published along with the Revenue Budget papers considered by Cabinet, will assist the delivery of the council's corporate priorities supporting the continued improvement of services for our residents. Savings and efficiency gains identified for the year are monitored throughout the period by the Executive to ensure their achievement. Target efficiency savings will only be reflected in the MTFP, however, as they are realised.

5.7 Owing to the global pandemic and changes in central government, we are still awaiting the delayed outcome of the Fair Funding Review and Business Rates Retention Reform and depending on the outcome of these changes a significant re-prioritisation exercise, whereby all services are subject to a critical evaluation, will be undertaken to alleviate serious financial problems in future years. The financial projections, included at Appendix 2, currently indicate that further annual savings will be required in future years. This has worsened significantly owing to current levels of high inflation, National Living Wage pressures and the accompanying ‘cost of living crisis’. However, there is also a high level of uncertainty in the forecast owing to the absence of a multi-year settlement and the residual impact of the pandemic and funding reforms are not expected before 2025/26, following a General Election. As such, it is important that the council considers its future budgets and continues to monitor closely the MTFP.

5.8 From February 2023, the MTFP now assumes that there will be a minimum annual draw down on the Non-Domestic Rates Equalisation Reserve of £1,000,000 to fund increased revenue spending pressures ongoing. This reserve is normally topped-up from the Lancashire Business Rates Pool retained levy and S.31 grants so these levels will need to be monitored going forward to ensure the reserve remains at a healthy level, after the draw-downs are taken into account.

5.9 From 1 April 2014 the accounting arrangements for pensions changed and rather than a single percentage contribution rate being calculated to determine the employers’ payment into the scheme, the charges are split with a future service contribution rate being set and charged to services together with a cash deficit recovery contribution being charged to Non Distributed Costs. The employers’ equated superannuation rate, effective for the financial year commencing 1 April 2023, is 13.5% and reflects a future service contribution rate of 13.5% and a deficit recovery contribution of nil. The past service deficit contribution was originally meant to increase by 4.1% per annum. However, the outcome of the latest triennial review for 2023/24 to 2025/26 and the decision to pre-pay our pension contribution has resulted in an overall estimated surplus position which is helping to offset the future service cost %. This option to pre-pay the council’s pension contribution for the three years, delegated to the s.151 Officer, and thereby pay a reduced amount, is estimated to save over £226,000 over the period. The next triennial review by the Actuary will be based on data at 31 March 2025 and will be effective for the three years commencing 1 April 2026 (discussions are under way to modify future review periods but this remains the current position). The government have been consulting on extending the review period to up to five years but the outcome of this is not yet known. The plan assumes a future service rate of 14%. This is based on the estimated rate of 13.5% provided by the actuary in January 2023 plus a 0.5% provision for the impact of the McCloud judgment which may increase costs. The Pension Fund have indicated that our rates should remain stable over the next triennial review.

5.10 With effect from the 2007/08 financial year, the council become reliant on borrowing to support capital expenditure. The council borrowed £3.552m and this value is used to calculate the minimum revenue provision (MRP) which must be reflected in the accounts. The borrowing was as follows:

Date	Loan Ref	Value (£)	Period	Rate (%)	Maturing
05.03.08	494403	1,000,000	3	4.18	Sept’ 2010
05.03.08	494404	552,000	30	4.48	Sept’ 2037
05.03.08	494405	1,000,000	50	4.41	Sept’ 2057
09.03.09	495360	1,000,000	4	2.05	Sept’ 2012

5.11 However, in October 2023, the council repaid the outstanding £1,552,000 at a discount and became debt free once again. Whilst there is no interest paid on the four loans that have matured or been repaid early, the charge to the revenue account reflecting the principal element of the repayment is calculated based on the number of years that the asset will be in operation. Interest paid on long term borrowing in 2023/24 is therefore nil and MRP is £95,559. This cost will not reduce until 2024/25 when assets with a 15 year life span fall out of the MRP calculation and the MRP reduces to £89,994. The MRP calculation then reduces again to £79,703 in 2025/26 where it remains until 2034/35.

5.12 In an effort to reduce the council's reliance on borrowing and following concerns about the sustainability of continuing to borrow in the current economic climate, a Capital Investment Reserve was created as part of the 2009/10 closure of accounts. The balance remaining on this reserve at 31 March 2023, totalling £1,930,309 is substantially committed.

6. Basis of Resources Forecast

6.1 The extent of the growth in the tax base of the authority obviously has an impact on the projections of future Council Tax income. An increase of between 1.4% and 1.5% has been anticipated over the MTFP period.

6.2 New provisions for council tax referendums were introduced by the Localism Act with effect from 2012/13 to replace capping. The council increased its share of the council tax in 2023/24 by £5 or 2.33%. As part of the Local Government Finance Settlement, the Government announced a 3% trigger for local referenda on council tax increases but also allowed any shire district council to charge a de-minimis £5 more in council tax without triggering the referendum. For the purpose of the MTFP a 2.99% increase in council tax has been assumed in 2024/25 and beyond. If the 3% threshold were withdrawn then the forecast position would worsen. Conversely, if the 3% or £5 threshold was increased and members were supportive of this increase, the position would improve.

6.3 The current Business Rates Retention Scheme was introduced in 2013/14 and essentially allows councils to keep a share of any business rate growth. A baseline level of funding has been set which, in effect, replaces the grant support that would otherwise have been awarded. Under the national scheme, the council is allowed to keep 40% of any additional funds that it generates (with 50% being paid to the Government, 9% to Lancashire County Council and 1% to the Fire Authority) but this is normally regulated by the payment of a levy at 50%.

6.4 Following a one-year 75% retention pilot pool in 2019/20, with effect from 1 April 2020, the council was again designated as belonging to the 50% Business Rates Pool of Lancashire. This results in the County Council being paid 10% of the retained levy (prior to the cost of administering the pool) with Wyre retaining 90% of the levy previously payable.

6.5 A consequence of being part of the Pool arrangement is that the council will no longer be eligible to receive a safety net payment should the business rate base in the area decline and fall below 92.5% of the baseline funding level. The entire Pool would have to drop below the safety net level of 92.5% for any additional support to be paid over.

6.6 The council receives a negligible revenue support grant and the forecast assumes that our baseline funding level will increase by a modest 3% in 2024/25 and 2% thereafter pending further information on the Local Government Finance Settlement in December and future funding reforms generally.

6.7 The requirement for financial reserves is acknowledged in statute. The Local Government Finance Act 1992 requires billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. The council's minimum prudent level of balances, calculating the requirement at 5% of net expenditure before other government grants (£797,337) together with the element of the reduction in business rates that authorities must meet before the Government would consider any safety net payment (£265,263 in 2023/24), is now £1,062,600. Balancing the annual budget by drawing on general reserves may be viewed as a convenient short-term option but where reserves are deployed to finance recurrent expenditure this should be made explicit by the Section 151 officer. **Members must note that the continued use of balances is not sustainable and dependent on future local government finance settlements, a significant re-prioritisation exercise, whereby all services are subject to a critical evaluation, will need to be undertaken to alleviate serious financial problems in future years. A high level review of statutory and non-statutory services has been carried out. The financial projections indicate that further annual savings will be required in future years.** It is important that the council considers its future budgets and continues to monitor closely the MTFP. The value of reserves and balances at the end of March 2023, and projected for the future, can be seen at Appendix 3. The identification of earmarked reserves often takes account of risk assessments and contingency planning with funding being provided for known events such as the Borough Election and the rolling replacement of ICT equipment and vehicles. The level of general balances also supports contingency planning and recognises anticipated future financial pressures on revenue resources and the difficulties of securing immediate savings. The council's Policy on the Level of Reserves and Balances is included at Appendix 4.

6.8 The council's capital spending is constrained by the availability of appropriate resources including capital receipts, capital grants, borrowing and revenue funding. The council has previously adopted a policy of ensuring that assets with the shortest charge life are financed from capital receipts rather than borrowing to minimise the revenue impact. The council submits a variety of external funding bids, many of which are coordinated by the Engineering, Parks and Open Spaces and Economic Development Teams and all funding bids are agreed with Financial Services prior to submission. The council has an excellent track record of securing external grants and continues to seek funding to facilitate investment in the borough.

6.9 On 23 March 2020 the coronavirus pandemic resulted in the first of a series of national lockdowns. Between March 2020 and April 2022 the imposition of local and national restrictions had a significant impact on people's lives, the economy, statutory deadlines and service priorities to name a few. The financial impact on the council continues to be felt in areas such as leisure and tourism which was particularly hard hit. There is now an ongoing residual impact in the wider economy known as the 'cost of living crisis' which is resulting in rising inflation and interest rates, both of which have an impact on the forecasts. Despite a commitment from the government last summer, another one-year settlement was delivered in December and with a General Election due to be held by January 2025, there is a very limited level of forecasting certainty in the MTFP.

6.10 Earmarked Reserves and General Balances showed an improved position at outturn. However, the improvement on General Balances was entirely as a result of deferred revenue expenditure, so not a true saving. The improved Earmarked Reserves position was primarily a result of in-year revenue savings and additional income. Top-ups to several reserves were made with the largest amounts going into the ICT Strategy Reserve and Capital Investment Reserve in anticipation of increased costs. It should be noted that the Council Tax Base Equalisation Reserve was created to allow for a cushioning arrangement in the forecast following successive years in the 2010s of taking advantage of the then government's council tax freeze grant. This policy meant that the tax base was frozen and this created a 'cliff edge' in the forecast. The reserve will be fully utilised in 2026/27.

7. Risk Assessment

7.1 An assessment of the risks associated with the MTFP has been carried out. This includes the likelihood, severity and level of risk together with the risk management procedures in place to control and monitor them. The guidance framework for Corporate Governance in local authorities highlights the need to have these risk management procedures in place.

The table below explains the scoring matrix that is used to calculate the level of risk.

Likelihood	Severity	Risk = Likelihood x Severity
Low (1)	Low (1)	1 – 2 = Low
Medium (2)	Medium (2)	3 – 4 = Medium
High (3)	High (3)	6 – 9 = High

Action to be taken after scoring is as follows:

- High = Review existing practices/proposed recommendations and act.
- Medium = Review control mechanisms.
- Low = Limited immediate action; continue to monitor.

7.2 Appendix 5 lists the major risks associated with the MTFP and the controls in place to alleviate the risks.

8. Executive Summary

8.1 Aims

- To improve the quality of services through the strategic planning process and the targeting and prioritising of investment to meet local and national objectives.
- To provide a clear and consistent framework for financial decision-making and management at both the corporate and service level, subject to continuous monitoring to ensure its effectiveness.

8.2 Delivery

The council strives to ensure that its resources:

- Continue to be guided by the key principles underpinning our corporate objectives and contribute effectively to their achievement, through Corporate Service and Financial Planning.
- Are robustly reviewed on a regular basis identifying potential efficiency savings.

- Add value to those provided by partners and other agencies in the Borough to provide joined up solutions.
- Optimise opportunities for corporate working across services and operational strategies, to achieve wider, defined objectives.
- Are not accepted as the only source of funding for services and continues to explore the possibility of attracting funding from external sources.
- Are supported by the achievement of maximum income levels in relation to fees and charges levied for services provided.
- Maximise and make best use of the council's assets.

List of Appendices:

Appendix 1 – Detailed Business Case Template
Appendix 2 – Charging Policy
Appendix 3 – Summary Financial Forecast (including Reserves and Balances)
Appendix 4 – Policy on the Level of Reserves and Balances
Appendix 5 – Risk Assessment

Appendix 1

Detailed Business Case

Topic Name: <Insert Topic Name Here>

Prepared by: <Insert Name>

Date: <Insert Date>

Version Control

Version	Date	Author	Change Description
0.1	<Date>	<Name>	<First Draft – Not yet for publication>

Distribution List

Name	Role
<Insert Name 1>	<Insert involvement in this work, not necessarily job title>

Executive Summary
[Insert a summary of the contents of this document – usually this section is completed last]

Background
[Insert the background of the project, aimed at readers who may not know much about the topic]

Reasons for Project
[Insert information on why the project is needed]

Stakeholders
[Use the table below to list the internal and external stakeholders of this project]

Stakeholder	Interest and Involvement

Options Appraisal
[Typically, there will be a number of options available. Insert details, including an economic appraisal, of the different options available. Often doing nothing is included as the first option to show remaining as-is will NOT be a good way forward. One option will then be selected and used in the rest of the business case. In some cases, the benefits, saving, risks and costs will vary depending on the option chosen. In which case, these can be incorporated into each option, rather than included in the separate sections below. If there are not multiple options, this section can be deleted and the information can be incorporated within the Reasons for Project section above.]

Equipment and Technology Considerations
[This section should explain any considerations with regards to technology. Many new initiatives rely on technology to manage or monitor various business functions. Key features of any contract should be included, such as contract terms, payment mechanism and procurement.]

Organisation and Staffing
[With many new products or services there may be a need for additional staffing or for a restructure in order to accommodate the change.]

Benefits Realisation
[Insert the project benefits. These can be tangible and intangible. Where possible, include details of suitable measures, so the reader is clear on how you will know when you have achieved the objective. Typically, many of the benefits will not be realized until long after the project has closed. For example, if the project was to build a children's play area, user numbers could not be measured until it has been open for a number of months.]

The benefits the project will bring are:

No.	Benefit Description	Measure
1	<Insert>	<Insert>
2	<Insert>	<Insert>
3	<Insert>	<Insert>

Financial Assessment
[Insert details of the cashable and efficiency saving which can be made (if applicable). Please remove sections and rows which are not required. Work out the savings over one year and then over many years. The number of years chosen will differ depending on your project, but will typically be between 3-10 years. You may wish to include a representative from Finance at this point to help you financially model a number of scenarios.]

A summary of the potential savings are shown in the tables below.

Cashable Savings - Item	**Savings P.A. £**	**Savings over <X> years £**
TOTAL	**<Total>**	**<Total>**
Efficiency Savings - Item	**Savings P.A. £**	**Savings over <X> years £**
TOTAL	**<Total>**	**<Total>**
OVERALL TOTAL	**<Total>**	**<Total>**

Cost
The main costs for this project are summarised below:

ITEM	**Costs in year 1 £**	**Costs over <X> years £**
TOTAL COST	**<Total>**	**<Total>**

Anticipated savings less costs =	**<Savings - Costs>**

Risks
The risks associated with delivering the business case are as follows. These will be transferred to the project issues and risks log for ongoing management purposes.

Risk	**Potential Impact**	**Mitigation**
<Insert the nature of the risk>	<Explain the potential impact>	<Explain the steps taken to reduce the risk>

Recommendations
[Insert the business case recommendations, including the recommended option from those stated above]

Timescales
[Insert a brief project timetable, or alternatively use the document '2 Project Plan' or the 'Project In a Box' software to draw a timeline which can then be attached as a link to this document]

Appendix 2

Charging Policy 2023/24

Wyre Council
Civic Centre
Breck Road
Poulton-le-Fylde

October 2023

Charging Policy 2023/24

1. Background

1.1 The Cabinet last formally considered its charging policy at its meeting on 19 October 2022.

1.2 In September 1999 the Audit Commission published “The Price is Right” which advised councils to focus attention on charges and addresses the following issues:

- Establish clear principles for charging;
- Integrate charging into service management and forge links with corporate objectives;
- Set clear objectives and targets to qualify success in charging;
- Build an understanding of users and markets;
- Improve decision making by taking into account the likely impact of changes to charges; and
- Innovate via imaginative use of charging structures.

1.3 In January 2008, the Audit Commission published a further report entitled “Positively Charged”, which identified how different councils' use their powers to charge for services and draws conclusions that support their earlier publication in that:

- Charging for local services makes a significant contribution to council finances and for district councils charges make the greatest contribution to service delivery;
- Councils use charges to influence individuals’ choices and to bring benefits to local communities. Charges can be set to encourage or discourage people to use services and through concessions to pursue local objectives; and
- Councils need to understand better the likely impact of charges on users and on patterns of service use.

1.4 The report recommends, amongst other things, that where there is a subsidy to provide a service, this is transparent as part of the decision making process; that service managers should be aware of both users and non-users of the service being charged for; to engage service users and taxpayers more in decisions about charging levels and that there should be regular debate on charges and charging policy.

1.5 A new briefing entitled ‘Income from Charging’ was issued by the Audit Commission in September 2013 which uses data from the value for money profiles and presented a high level analysis of councils’ income from charging and the contribution it makes to service spending and allowed comparisons to other councils of the same type and changes over time. The data was the subject of a value for money review undertaken as part of the Overview and Scrutiny work programme and was considered at the meeting 15 December 2014. Having fully explored and investigated the variances, it was felt that the value of the research was limited with the additional benefit not being sufficient to justify the exercise being repeated.

1.6 The level of income generated by fees and charges, and in particular projected increases which the council can influence, forms a key part of the council's financial planning and is therefore reflected in the Medium Term Financial Plan.

2. The Council's Policy

2.1 The council needs to maximise its income whilst ensuring that its services are not compromised, taking into account competition from other providers. Indeed, if services are subsidised purely to maintain a competitive price then a fundamental review of the service should be carried out resulting in the justification of the approach or recommending alternative action.

2.2 The council is keen to encourage a shared responsibility for improving neighbourhoods and wherever possible will consult local people and communities on charging policies. Information obtained from satisfaction surveys can also help to monitor performance.

2.3 The reasoning behind both service provision and the charge levied should be justified each time that charges are re-assessed. For example, there may well be a desire to use a charging policy to meet other objectives such as increasing usage of recreational assets.

2.4 Decisions regarding pricing should be taken in the full knowledge of the pricing policies of alternative providers and information should be provided to ensure that Members are sufficiently briefed.

2.5 Clear targets should be set for income levels in advance of any review of pricing and achievement of these targets should be monitored using the council's established performance management arrangements.

2.6 When considering pricing policies Service Managers should be encouraged to be innovative and flexible in determining the basis for the charge.

3. Impact

3.1 The table attached identifies the range of services for which the council currently levies a charge and the value of the income estimated for the current year. The table also details those areas where the fee is externally set, as is currently the case with Planning Fees, or where we must ensure a break-even position, with the charge being set at a level sufficient to recover associated costs.

APPENDIX 2 - Charging Policy

Service Area	Determined by WBC √ or X	Original Estimate 2023/24 £	Able to Influence £	Unable to Influence £
Resources				
Electoral Services	Y	1,800	1,800	-
Other Legal Fees	Y	30,000	30,000	-
National Non-Domestic Rates (Court Costs)	Y	13,000	13,000	-
Photocopying	Y	100	100	-
Council Tax (Court Costs)	Y	334,750	334,750	-
Street Nameplates and Numbering	Y	13,760	13,760	-
Hire of Committee Rooms	Y	8,100	8,100	-
	Sub Total	**401,510**	**401,510**	**-**
Communities				
Planning	N	600,000	-	600,000
Development Control	Y	8,600	8,600	-
Estates use of land for commercial events	Y	3,000	3,000	-
Building Control #	Y/N	236,600	1,500	235,100
Renovation Grants (Fee Income)	Y	264,150	264,150	-
Houses in Multiple Occupation	Y	5,550	5,550	-
Land Charges #	N	75,790	-	75,790
Care and Repair/Handyperson Service	Y	179,630	179,630	-
Alley Gates	Y	50	50	-
Marine Hall	Y	154,300	154,300	-
Thornton Little Theatre	Y	56,000	56,000	-
Mount Grounds	Y	1,000	1,000	-
Marsh Mill	Y	-	-	-
Poulton Market*	Y	20,000	20,000	-
Fleetwood Market*	Y	534,480	534,480	-
Cleveleys Market*	Y	3,000	3,000	-
Market House Studios	Y	120	120	-
Leisure Centres (including pools) **	Y	-	-	-
	Sub Total	**2,142,270**	**1,231,380**	**910,890**
Environment				
Animal Licensing #	Y	8,000	8,000	-
Taxi Licensing #	Y	78,980	78,980	-
Licensing Act #	N	86,500	-	86,500
Gambling Act Licensing #	N	25,800	-	25,800
Other Licensing *** #	Y	6,130	6,130	-
Pest Control	Y	37,810	37,810	-
Private Water Supplies	Y	870	870	-

Service Area	Determined by WBC √ or X	Estimated Value 2023/24 £	Able to Influence £	Unable to Influence £
Food Safety	Y	6,090	6,090	-
Contaminated Land	Y	100	100	-
Pollution Prevention Control	N	7,940	-	7,940
Car Parking	Y	514,550	514,550	-
Residents Parking Permits	Y	12,200	12,200	-
Penalty Charge Notices (Off street parking)	N	50,990	-	50,990
MOT Test Centre	Y	28,480	28,480	-
Cemeteries	Y	296,230	296,230	-
Countryside	Y	2,030	2,030	-
Wyre Estuary Country Park	Y	950	950	-
Rossall Point	Y	-	-	-
Dog Warden Service	Y	3,700	3,700	-
Street Cleansing	N	27,500	-	27,500
Public Conveniences	Y	70,870	70,870	-
Outdoor Leisure	Y	7,910	7,910	-
Bulky Household Waste	Y	99,000	99,000	-
Green Waste Removal	Y	830,100	830,100	-
Waste Container Delivery Administration Costs	Y	51,000	51,000	-
	Sub-Total	**2,253,730**	**2,055,000**	**198,730**
	GRAND TOTAL	**4,797,510**	**3,687,890**	**1,109,620**

* Fleetwood, Poulton and Cleveleys Market Rents are set under Officer Delegated Powers.
** Involved in agreeing charges but income retained by contractor.
*** WBC is able to influence some licences including ear piercing, performance of plays, public entertainment, second hand goods dealers, scrap metal operators' and street trading licences.
# Indicates a break even position over a set period is required.

Appendix 3

Medium Term Financial Plan 2023/24 to 2027/28

Revenue Budgets	**2023/24 £'000**	**2024/25 £'000**	**2025/26 £'000**	**2026/27 £'000**	**2027/28 £'000**
Base Borough Requirements, increased for prior year inflation, but **excluding Use/Top-up of Balances (shown below)**	15,940	15,986	17,019	17,856	18,711
Inflationary Assumptions on the above Base					
Pay: Officers - see assumptions below; Member Allowances - from 24/25 3.88% ongoing		707	612	646	675
Prices, Specific Contracts and Other Costs (Variable)/Energy	46	326	225	209	195
Expected Future Changes on the above Base					
Revenue slippage	1,285	0	0	0	0
Employee (incl. Member Allowances) and related cost - NI changes; Pension contributions; Protection; FTCs; long service awards and restructures	4	(501)	(503)	(502)	(501)
Capital Programme revenue implications		1	1	1	1
External Grant and Grant Aided schemes		14	14	14	14
Other Services including - National Fraud Initiative, Citizens Advice Bureau; Marine Hall; Borough Elections; Foreshore/Promenade Fleetwood; Marine Lake; Memorial Park; Contaminated Land; Licensing; Asset Maintenance Review; Leisure Centre Subsidy	444	(868)	(849)	(951)	(747)
Regeneration/Economic situation changes - Local Plan; Depots and Fleetwood Market		(46)	(166)	(203)	(203)
Cost of Borrowing and Investment Income	(1,000)	(256)	(16)	(16)	(16)
Capital Programme - Revenue Funding Contributions	419	153	66	255	157
Reserve Contribution Changes	41	(751)	(702)	(839)	(351)
Baseline Funding - External Government Grant (all per prov. Local Government Finance Settlement)	(3,537)	(3,643)	(3,716)	(3,790)	(3,866)
Revenue Support Grant	(1)	(1)	(1)	(1)	(1)
Funding Guarantee Grant	(457)				
Service Grant	(138)				
New Homes Bonus - Government Grant	(982)				
Non-Domestic Rates - Government Grant	(5,606)				
NDR income different to Baseline Funding	1,358				
Non-Domestic Rates - Levy	927				
Non-Domestic Rates - Retained Levy (Lancashire Pool)	(834)				
Collection Fund Adjustment - Council Tax prior year	(467)				
Collection Fund Adjustment - Non-domestic Rates re prior year	1,534				
Enterprise Zone growth (to be transferred to a ringfenced reserve)	(161)				
Net Wyre Requirement met by Council Tax and Balances	8,815	11,121	11,984	12,679	14,068
Base and Forecast Cost met by Council Tax	8,459	8,843	9,240	9,653	10,082
Net Spending change i.e. need to Use/Top Up (-) Balances	356	2,278	2,744	3,026	3,986

	2023/24 £'000	**2024/25 £'000**	**2025/26 £'000**	**2026/27 £'000**	**2027/28 £'000**
General Balances as at 1 April	14,517	14,161	11,883	9,139	6,113
Add Top Up of Balances	0	0	0	0	0
Less Use of Balances	(356)	(2,278)	(2,744)	(3,026)	(3,986)
Estimated Balances Surplus/(Deficit) at 31 March	**14,161**	**11,883**	**9,139**	**6,113**	**2,127**
NB Prudent level of Balances £1,062,600					

Tax base	38,495.60	39,074.81	39,643.23	40,213.16	40,781.26
Forecast Council Tax £	£219.74	£226.31	£233.08	£240.05	£247.23
Annual Council Tax Increase £	£5.00	£6.57	£6.77	£6.97	£7.18
Annual Council Tax Increase %	2.33%	2.99%	2.99%	2.99%	2.99%
Council Tax Income	£8,459,023	£8,843,020	£9,240,044	£9,653,169	£10,082,351
Additional Annual Council Tax Income		£383,997	£397,024	£413,125	£429,182

Assumptions - Net Service Expenditure	
Inflation - Pay Award:	24/25 5.5%, 25/26 onwards 4.5%
Inflation - Other costs: (refer to main MTFP report)	rebasing has occurred for a number of key areas and assumptions have been tailored according to category of spend
Assumptions - Financing Sources	
Govt Support: Baseline Funding	3% in 24/25, 2% in years thereafter
Council Tax:	referendum levels set at higher of £5 or 2.99%
Council Tax Base:	Dec 2022 tax base calculation (97% collection rate)
Revenue Support Grant (RSG)	Reflects RSG only elements, other rolled in grants (i.e. Family Annexe, LCTS Admin) reflected in Base Budget Requirements

Appendix 4

Policy on the Level of Reserves and Balances

Wyre Council
Civic Centre
Breck Road
Poulton-le-Fylde

October 2023

Policy on the Level of Reserves and Balances

1. Legislative/Regulatory Framework

1.1 The requirement for financial reserves is acknowledged in statute. Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

1.2 There is also a requirement reinforced by section 114 of the Local Government Finance Act 1988 which requires the chief financial officer to report to all the authority’s councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year.

2. Role of the Finance Director

2.1 Within the existing statutory and regulatory framework, it is the responsibility of the finance director (Corporate Director Resources) to advise the local authority about the level of reserves that should be held and to ensure that there are clear protocols for their establishment and use.

2.2 There are no statutory minimum levels imposed and it is not considered appropriate or practical for the Chartered Institute of Public Finance and Accountancy (CIPFA), or other external agencies, to give prescriptive guidance on the minimum, or maximum, level of reserves required either as an absolute amount or a percentage of the budget.

3. Types of Reserves

3.1 Reserves can be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves and is commonly referred to as ‘balances’;
- A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves or ‘balances’;
- A means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements – earmarked reserves are accounted for separately but remain legally part of the General Fund.

3.2 For each reserve held by a local authority there should be a clear protocol setting out:

- The reason for/purpose of the reserve;
- How and when the reserve can be used;
- Procedures for the reserve’s management and control; and
- A process and timescale for review of the reserve to ensure continuing relevance and adequacy.

4. Principles to Assess Adequacy

4.1 In order to assess the adequacy of unallocated general reserves when setting the budget or the MTFP, the Chief Finance Officer should take account of the strategic, operational and financial risks facing the authority. The assessment of risks should include external risks, such as flooding, as well as internal risks, for example, the ability to deliver planned efficiency savings. The following factors should be considered:

Budget Assumptions	**Financial Standing and Management Assessment/Impact**
The treatment of inflation and interest rates	The overall financial standing of the authority (level of borrowing, debt outstanding, council tax and business rate collection rates, etc.), commodity prices e.g. fuel, the cost of borrowing and anticipated investment returns
Estimates of the level and timing of capital receipts	The authority’s track record in budget and financial management including the robustness of the medium term financial plans
The treatment of demand led pressures	The authority’s capacity to manage in-year budget pressures
The treatment of planned efficiency savings/gains	The strength of the financial information and reporting arrangements
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments	The authority’s virement and end of year procedures in relation to budget under/over spends at authority and directorate level and any contract provisions, designed to safeguard the authority’s position
The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions	The adequacy of the authority’s insurance arrangements to cover major unforeseen risks
The general financial climate to which the authority is subject.	External factors such as future funding levels, referenda principles/limits and the authority’s ability to replenish reserves once used

4.2 The council’s minimum prudent level of balances, calculating the requirement at approximately 5% of net expenditure before other government grants (£797,337) together with the element of the reduction in business rates that authorities must meet before the Government would consider any safety net payment (£265,263 in 2023/24), is now £1,062,600. This is reviewed annually as part of the budget process.

4.3 A review of the level of earmarked reserves is also undertaken as part of the annual budget preparation and as part of the closure of accounts process. The council does not regularly monitor the opportunity costs of maintaining its levels of earmarked reserves as these are generally not held as a form of investment but to meet a recognised need.

5. Reporting Framework

5.1 The level and utilisation of general and earmarked reserves is determined formally by Cabinet in October (November in 2020 owing to pandemic), with the approval of the MTFP, and in February, at the annual budget setting meeting, informed by the advice and judgement of the finance director.

5.2 Both reports include a statement showing the estimated opening general and reserve fund balances for the year ahead, the additions/withdrawals, and the estimated end of year balances. A statement is also included commenting on the adequacy of the general and earmarked reserves in respect of the forthcoming financial years.

6. Reserves Protocol

Reserve as at 31.03.23	**Purpose**	**How and When Used**	**Procedures for management and control**	**Timescale for review**
Building Control	Fundamental principle of the Building Regs. Scheme introduced 1 April 1999, subsequently amended by the 2010 Regulations.	3 to 5 year rolling accounting period over which costs should equate with charge income.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, updating the MTFP and as part of the closure of accounts process. Also subject to individual reports on proposals for usage.
Capital Investment	To fund capital investment avoiding the need to borrow.	Used to finance the council's capital investment needs.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, updating the MTFP and as part of the closure of accounts process. Also subject to individual reports on proposals for usage.
Elections	To meet the cost of the Borough Election.	Used to smooth the impact of the Borough Election which occurs every four years and is next due in May 2027.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.

Reserve as at 31.03.23	Purpose	How and When Used	Procedures for management and control	Timescale for review
Enterprise Zone (EZ) Growth	Established in 2018/19 to hold business rates growth from the EZ	Ring-fenced for supporting investment in the EZ, primarily for infrastructure improvements	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, updating the MTFP and as part of the closure of accounts process. Also subject to individual reports on proposals for usage.
Homeless-ness	Established in 2020/21 to hold a number of Homelessness related external funding streams and one off grants.	Used to fund initiatives to support homelessness prevention, mitigate the problem of rough sleeping and contribute to the general provision of Housing Options services.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, updating the MTFP and as part of the closure of accounts process. Also subject to individual reports on proposals for usage.
Insurance	To meet the cost of insurance claims.	Used to fund the cost of insurance excess and any associated costs not covered by any premium.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.
ICT Strategy	Established to renew ICT equipment on a rolling replacement in accordance with the ICT Strategy.	Used to smooth the revenue impact of ensuring that the ICT infrastructure and equipment remains ‘fit for purpose’.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, updating the MTFP and as part of the closure of accounts process. Also subject to individual reports on proposals for usage.
Land Charges	Compliance with guidance issued by the Lord Chancellor (Section 13A, LLCA 1975).	Councils are required to assess the cost of providing a service, the projected take-up of that service and thus the charge that should be made over a period of between one and three years.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.

Reserve as at 31.03.23	Purpose	How and When Used	Procedures for management and control	Timescale for review
Council Tax Base Equalisation	To delay the impact on successive tax base freezes in the 2010s	Supports the shortfall in income, resulting from the decision to freeze the level of council tax, through to the end of 2026/27.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.
Non-Domestic Rates Equalisation	To protect against volatility associated with the new Business Rate (BR) Retention Scheme.	S. 31 grant receipts, net of NDR levy, used to cushion the council against future reductions in business rate income, including the financial impact of successful appeals as notified by the VOA. From 2022/23, the retained levy, from being a member of the Lancashire BR Pool, is being released to fund revenue spend.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.
Property Investment Fund	Established in 2018/19 initially as a two year pilot to explore investing in commercial property.	A Property Investment Board is responsible for making decisions on how the fund is utilised.	Managed by the Corporate Director Resources in conjunction with the Property Investment Board	Undertaken as part of the annual budget preparation, the updating of the MTFP, as part of the closure of accounts process and is subject to individual reports on proposals for usage.
Value For Money	Invest to save projects	Originally created to fund VFM initiatives, which may incur up-front costs and now incorporates supplementary grants awarded for the administration of council tax, NDR, housing benefit and LCTS.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process. Also subject to individual reports on proposals for usage.
Vehicle Replacement /	Replacement of the council's	Funding to meet current and anticipated vehicle/	Managed by the Corporate	Undertaken as part of the annual budget preparation,

Street Cleansing Maintenance	vehicle fleet and smoothing the maintenance cost for the street cleaning vehicles.	plant requirements - ultimately charging the cost to revenue over the life of the asset. Also includes maintenance of street cleansing vehicles and set-up costs for MOT station.	Director Resources	the updating of the MTFP and as part of the closure of accounts process as well as subject to individual reports on proposals for usage.

Risk Assessment **Appendix 5**

Type of Risk	Likelihood	Severity	Level of Risk	Control	Review	Responsible	Reports To
Financial Forecast is wrong.	Low (1)	High (3)	Medium (3)	Review the base budget and adjust for known and likely variations impacting on the forecast.	Ongoing	Head of Finance	Management Board; Cabinet
Expenditure greater than budget.	Low (1)	High (3)	Medium (3)	Budget monitoring of revenue spend. Budget monitoring of capital spend. 5-Year Financial Forecast.	Monthly Quarterly 6 Monthly	Cost Centre Managers; Financial Services Spending Officers and Head of Finance	Management Board; Cabinet Management Board
Unforeseen expenditure, new schemes/initiatives.	Low (1)	High (3)	Medium (3)	Maintenance of a general contingency and review of priorities.	Ongoing	Head of Finance	Management Board
Over dependence on use of reserves and balances.	Medium (2)	Medium (2)	Medium (4)	Compliance with CIPFA guidance on local authority reserves and balances. Adequacy assessed as part of budget process, MTFP and closure of accounts.	Ongoing	Corporate Director Resources (S151 Officer)	Cabinet; Council
Income targets not achieved owing to economic climate impacting on demand.	Low (1)	Medium (2)	Low (2)	Risk assessment of major income generators during budget preparation – realistic targets built into budget. Regular monitoring of income as part of budget monitoring.	Annually Monthly	Financial Services	Management Board; Cabinet
Efficiency savings not achieved.	Medium (2)	High (3)	High (6)	Regular review as part of budget monitoring.	Monthly	Management Team	Management Board
Income from investments is lower than expected.	Low (1)	Low (1)	Low (1)	Budget monitoring.	Monthly	Head of Finance	Management Board; Cabinet
Changes in Government Funding e.g. Business Rates Base Funding Level and cessation of New Homes Bonus.	Medium (2)	High (3)	High (6)	Limit reliance on this type of funding and review other options, highlighting sensitivities in the MTFP.	Ongoing	Corporate Director Resources (S151 Officer)	Management Board

Type of Risk (Cont'd)	Likelihood	Severity	Level of Risk	Control	Review	Responsible	Reports To
Changes to Local Government Finance resulting from Business Rates Retention Scheme e.g. unfavourable variations in reliefs, decline in RVs, growth, collection rates, beneficial impact of pooling is not realised, etc.	Medium (2)	High (3)	High (6)	Close monitoring of current and any new arrangements and establishment of an earmarked reserve to cushion against volatility.	Ongoing	Corporate Director Resources (S151 Officer) and Head of Finance	Management Board
Potential volatility of the fuel/energy market adding further increases to fuel (including HVO), heating and lighting.	Medium (2)	Medium (2)	Medium (4)	Close monitoring of revenue spend. Re-negotiation of energy contracts when they fall due.	Monthly	Head of Finance	Corporate Management Team
Capital receipts are not realised from asset disposals.	Low (1)	Medium (2)	Medium (3)	Prioritisation of disposals and effective marketing of sites.	Ongoing	Corporate Director Communities	Corporate Management Team
Potential volatility concerning aspects of the Localised Council Tax Support Scheme in conjunction with the Universal Credit rollout e.g. caseload, collection rates, etc.	Medium (2)	Medium (2)	Medium (4)	Close monitoring of new arrangements.	Monthly	Corporate Director Resources (S151 Officer) and Head of Finance	Management Board
New cost pressures are devolved by Central Government as part of the Fair Funding Review, 75% or 100% Business Rates Retention Scheme without the necessary funding.	Medium (2)	Medium (2)	Medium (4)	Early monitoring of situation allowing the development of plans to mitigate financial impact.	Ongoing	Corporate Director Resources (S151 Officer) and Head of Finance	Management Board
Significant sources of revenue income cease.	Medium (4)	Medium (4)	Medium (4)	Early monitoring of situation allowing the development of plans to mitigate financial impact.	Ongoing	Corporate Director of Resources (S151 Officer) and Head of Finance	Management Board